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SENSITIVE

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SUBJECT: NORTHEAST BRAZIL: LANDLESS MOVEMENT TRIES TO RE-INVENT ITSELF

REF: SAO PAULO 248

SENSITIVE BUT UNCLASSIFIED, NOT FOR INTERNET DISTRIBUTION

¶1. (SBU) Summary: Just as in southern Brazil (reftel), the Landless Rural Workers Movement (MST), and their fellow travelers in the always-disadvantaged northeast region, seem to be changing tactics; with confrontation less appealing, they appear to be re-positioning themselves and trying to get on the government "gravy train." Membership has been affected by President Lula's "Bolsa Familia" program of cash transfers to the poor. Unable to seize any more "unproductive" farms, as agro-industry increases production, the land reform activists opt for reinventing themselves as advocates for small-scale rural development and alternative energy, according to sources in the Catholic Church. End Summary

¶2. (SBU) Father Herminio Canova, who heads the northeast region's Pastoral Land Commission (CPT) for the Catholic Church's National Conference of Brazilian Bishops (CNBB), met with the principal officer in Recife May 21. He and one of the CPT lawyers gave an overview of how the land reform movement was changing. Father Herminio had recently been on a march to Brasilia, then visited the conflict area along the Brazil-Venezuela border in Roraima, where clashes took place between indigenous people and rice farmers. The priest said the CPT was launching a national campaign to limit the size of large land-holdings "to defend agrarian reform, territorial and food sovereignty." He explained that the long-standing campaign to seize and divide up "unproductive" farms had reached a dead end; in the current economy, agro-industry was using most land that could increase production. So, according to Father Herminio, the landless movement is now going to focus on consolidation of the lands already seized, demanding faster loans for the members and encouraging them to get involved with alternative forms of energy, mainly bio-fuels.

¶3. (U) The ethanol boom has caught the attention of the settlers in the agrarian reform farms. They are now looking for crops that can be turned into fuel or other ways to produce energy with small-scale technologies. For the CPT, which opposes large scale hydro-electric dams, as well as the "near servitude" conditions of migrant workers on the sugar plantations, only renewable energy from small-scale projects should be pursued in order to preserve the environment and the Amazon region. Father Herminio said settlers in the land along the Sao Francisco River were interested in working with Petrobras to experiment on bio-fuel production. This irrigated area of agro-industry near Petrolina also has large concentrations of the landless movement settlements.

¶4. (SBU) The CPT leader explained that in the northeast region, there are five main land reform groups - the MST, a splinter

group known as the MLST, two federations of rural workers - FETRAPE and FETRAF-plus the "Central Syndicate" and nine smaller groups involved in pressuring the government to redistribute land. During this year's "Red April" land invasions, groups from this coalition invaded 14 farms across Pernambuco state. But according to the CPT, the number of invasions and the number of families taking part is declining, partly as a result of President Lula's "Bolsa Familia" - which provides cash payments to mothers who vaccinate their children and keep them in school. Father Herminio said the key was giving the money to women, instead of men, thus ensuring it was spent on food. He said, "One woman told me, 'I struggle at odd jobs, anything to earn the money that feeds my three children for 15 days, but it's President Lula who pays for the next 15.' That's how people see Bolsa Familia."

¶15. (SBU) The priest said that women in the landless movement are receiving the Bolsa Familia payments even as they are squatting on land, waiting for the legal ownership that may take years to obtain. But families already receiving "Bolsa Familia" have little incentive to take the risks involved in joining a new occupation of land with no immediate hope for better living conditions.

¶16. (SBU) Critics of the landless movement, including one school administrator who met with the consular staff and state law enforcement officers, say the occupations are a shake-down scheme. They say that the occupations in Red April get publicity, then the squatters negotiate certain sums or program concessions to go elsewhere. These critics point to the fact that those occupying contested land rarely plant any crops --not even subsistence beans or manioc which grows everywhere-around their hovels.

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¶17. (SBU) Father Herminio's view of the political situation reflects frustration with the slow pace of legalizing land claims and obtaining credit for farmers. He says the Lula government and Pernambuco Governor Eduardo Campos, a Lula ally, may talk about supporting the rural poor, but they don't "have control." He believes that, despite the lack of resources and credit, the settlers must become more productive. Violence in response to the land invaders may have lessened, the priest said, but the CPT reported murders resulting from land conflicts in 14 states last year, instead of just eight the previous year.

¶18. (SBU) "Slave labor" --or entrapment into conditions of near servitude on remote ranches-- is still a major concern for the CPT. Father Herminio was particularly adamant about conditions for sugar cane workers on ethanol plantations in the south and west. He has heard complaints from Pernambuco cane cutters, rounded up when the harvest season ends here and taken south, that they work in inhumane conditions. This is the dark side of ethanol for the priest, who would still like to see the small farmers and squatters producing their own bio-fuel in a program sponsored by the government.

¶19. (SBU) Comment: Brazil's agro-industry continues to expand, and the disparities between the rich and poor remain. While the MST and its offspring operate on the edges of the economy, denouncing large landowners in the name of oppressed, they have lost steam. They expected more support from President Lula, but they can't criticize him because he's too popular with their constituency thanks to his Bolsa Familia program. So the game is played behind the scenes; there are invasions to gain bargaining chips, then some credits or grants to partners of the movement that ensure the peace. Having reached this stalemate, the movement seems to be consolidating their holdings and looking for more popular causes to champion -such as defending the environment.